



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
FILLMORE FIELD OFFICE35 East 500 North
Fillmore, UT 84631In Reply Refer to:
3809
(U-010)
UTU-072898

October 3, 2002

CERTIFIED MAIL #7000 1530 0006 2414 8135
RETURN RECEIPT REQUESTEDLAWRENCE FAHN
PRESIDENT
NEWCO GUYANA, INC.
204 ELKIN CT.
DELMAR NY 12054

Dear Mr. Fahn:

On November 21, 2001 we mailed you a letter asking you to submit a Plan of Operations (Plan) for your mining activities in Section 5., T. 12 S., R. 5 W.. We asked for the Plan, since you had improved roads that were not included in your Notice (the Notice was submitted on the State of Utah, Division of Oil Gas, and Mining [UDOGM], Notice of Intention to Commence Small Mining Operations form) dated November 26, 1996, thus increasing your disturbed acreage over the five acres allowed under a Notice. The Notice had proposed access to the site from the east (see the route designated by light and medium green on the enclosed map), rather than from the south, and did not propose improving any roads. We did not receive a response from you. However, on January 14, 2002, we received a letter from the Juab County Attorney, which stated, among other things:

"Juab County claims a right-of-way under Revised Statutes RS 2477 over the road northward from the Weiss Highway to within a couple hundred yards from the mine. Juab County informed the BLM several years ago of our claim to the road when we submitted the County General Plan, which included a map of currently claimed roads...Given that the road in question is the most direct route from the Weiss highway to the mine, the County thought it wise to encourage Newco to use the road rather than some other more circuitous and lengthy route such as the road that encircles Coyote Knoll from the north."

RECEIVED

OCT 07 2002

DIVISION OF
OIL, GAS AND MINING

We are not able at this time to make a decision on the County's claim. However, our examination of July 11, 1977 and August 27, 1978 aerial photos of the relevant area leads us to the conclusion that you did not improve the road the County claims as a right-of-way under R. S. 2477. Most of the approximately 4500 feet of the road you improved from the mine southward did not exist as of 1977, by which time the R. S. 2477 had already been repealed. So, the County Attorney could only have meant that the route the County encouraged you to improve is the one designated in dark green on the enclosed map (the County asserted that route, and the one designated in medium green in a 1993 submission to this office). Since you actually improved a different route, the one designated in dark blue, your Notice must be amended to include improving the portion of the road from the mine southward to the junction of the road to which the County is asserting a right under R. S. 2477. Also, you must compensate the United States for the gravel that was used on that portion of the road; gravel that was removed in trespass from the pit that Juab County may only use for public projects. The appraised value of the gravel is \$0.35 per cubic yard. Please calculate the volume used, multiply it by \$0.35, and remit that amount within 30 days of receipt of this letter.

If the road that the County is asserting as an R. S. 2477 right-of-way is excluded from the acreage we calculated as disturbed under your Notice, the revised figure is between 4 $\frac{3}{4}$ and 5 acres (somewhat less than three acres for the mine site, and somewhat more than two acres for the road). Therefore, a Plan is not necessary at this time. However, on January 20, 2001, revised 43 CFR 3809 Regulations become effective (On April 3, 2001, we sent you a letter informing you of the revision, and that the regulations were in the process of being modified again. On December 31, 2001, the modified regulations (copy enclosed) went into effect.) As did the original revision, the modified regulations require all operators with existing notices to either extend their notices and submit a financial guarantee for the reclamation cost of their operation by January 20, 2003, or to immediately begin reclamation of the areas disturbed under their notice. However, a Notice can only be extended if it does not need to be modified to reflect a material change in the operation. By changing the proposed access and improving the road, you affected a material change as defined by §3809.331(a)(2) and, as such, you must modify your Notice, and submit a financial guarantee for reclamation before January 20, 2003.

Your modified Notice must include all the information required by § 3809.301(b), of the enclosed regulations, including a reclamation cost estimate that meets the requirements of §3809.552. Enclosed is a worksheet you can use to calculate the amount of financial guarantee. You may also use the enclosed UDOGM form for a Notice of Intention to Conduct Exploration (NOI) to submit your modified notice. However, the NOI form is not mandatory nor sufficient for BLM purposes, and, in order to comply with the afore-mentioned requirements, you must submit additional information including, but not limited to: your taxpayer identification number, which should be on a separate paper so that we

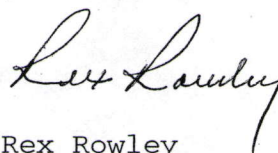
can keep it in a secure location; and a reclamation plan that meets the requirements of §3809.420(b).

Attached to the NOI is a map upon which you can designate the locations of any proposed exploratory tunnels and new disturbance outside the existing disturbance associated with your Notice. If you include the tunnels in your notice, the reclamation plan and cost estimate must include measures for, and the costs of, closing them. Also, please keep in mind that the current disturbance is so close to five acres now that if you increase the acreage, you may well exceed that threshold, and a Plan will be required.

Please submit the modified Notice in time for us to review and approve your reclamation cost estimate in time for you to submit the financial guarantee before January 20, 2003. Also, please keep in mind that, since you will have modified your Notice, it will be subject to the revised regulations, and effective only as long as you are conducting exploration activities. Before you begin mining and producing a product, you must have an approved Plan in place, as mandated by §3809.11(a).

If you have any questions, please contact Jerry Mansfield at (435) 743-3125.

Sincerely,



Rex Rowley
Field Office Manager

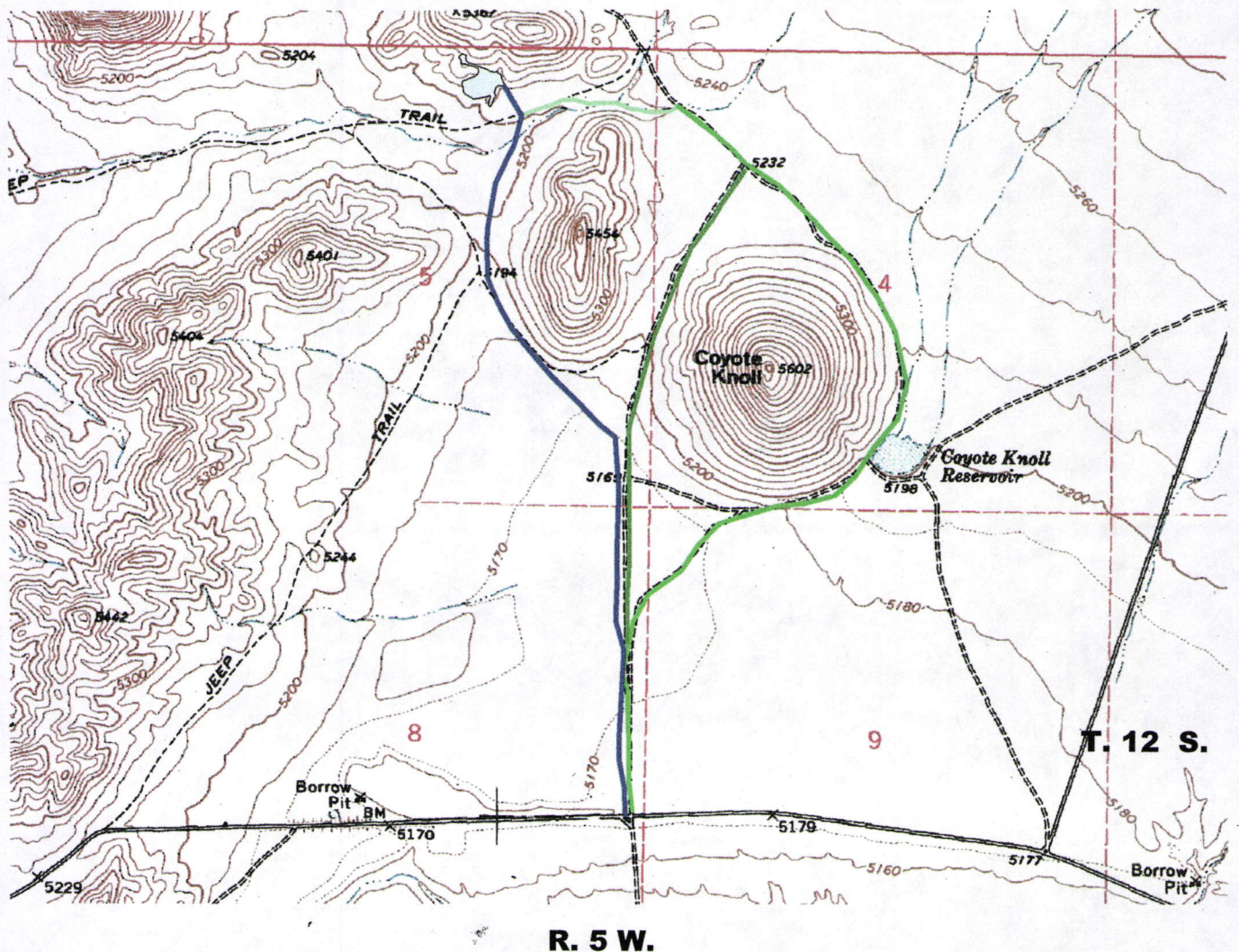
Enclosures:







Current 43 CFR 3809 Regulations
Map Titled, *Newco Guyana, October 1, 2001 GIS*
Reclamation Cost Worksheet
Notice of Intent to Commence Exploration Form

cc (with map): Tom Munson, UDOGM (S/023/033)
Brandon Steele & Darrell Steele, 1055 N 400 E,
Nephi UT 84648
David Leavitt, Juab County Attorney, 146 N Main,
Nephi UT 84648
Juab County Commission, 160 N Main, Nephi, UT 84648

Newco Guyana

October 1, 2001 GIS



-  Road as Improved
-  Rs 2477 Assertion
-  Asserted as of January 10, 200
-  Original Proposed Access
-  Shorter Alternative
-  Mine Site

0.6 0 0.6 Miles

Base map excerpted from the USGS Desert Mtn. Pass, Utah Quadrangle, which was prepared in 1971 from aerial photos taken in 1970.

